

Mortgage Bankers Association CEO David Stevens sent a letter to House leaders Thursday urging lawmakers to extend the elevated conforming loan limits for government-backed mortgages.

In 2008, Congress allowed Fannie Mae, Freddie Mac and the Federal Housing Administration to guarantee or buy mortgages worth as much as \$729,750 in most neighborhoods. The limits will expire Oct. 1 and drop to \$625,500, varying by county.

Stevens, the former director of the FHA, said he would like to see the limits extended through the end of 2012.

"While we had hoped improved economic conditions could warrant a return to the loan limits established by the Housing and Economic Recovery Act of 2008, the reality is that the temporarily higher loan levels are still needed. A number of bills have been introduced that would extend these limits and we urge Congress to address this important issue," Stevens said in the letter to Rep. John Boehner (R-Ohio) and Rep. Nancy Pelosi (D-Calif.).

**Rep. John Campbell (R-Calif.)** and Rep. Gary Ackerman (D-N.Y.) introduced just such a bill last week, which would extend the limits for another two years.

Extending the limits would run contrary to what the Obama administration proposed when it released its white paper on the future of housing finance in February. Officials suggested to Congress that the first step toward winding down Fannie and Freddie would be to allow the loan limits to expire in October.

But mortgage originations are set to fall to around \$1 trillion in 2011 with new home sales falling 23% and existing home sales slipping 13% from last year, according to the MBA.

"The temporary loan limits authorized by Congress have benefited consumers and the housing market during what has been a turbulent period for our nation's economy," Stevens said. "That

decline is not over yet."